

United States Senate
WASHINGTON, DC 20510-2003

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April 2, 2014

The Honorable Tom Wheeler, Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20054

Dear Chairman Wheeler:

I was recently contacted by a constituent business concerning the Federal Communications Commission's (FCC) recent vote regarding joint sales agreements between broadcast television stations.

My constituents fear that this change may result in a retroactive application of the new rules to transactions entered into in full compliance with laws, and already approved by the government. They argue that transactions that have been entered into and are awaiting approval of the FCC should be approved on the basis of existing rules. They believe that additional time is needed before any changes are made to these rules covering joint sales agreements so that stakeholders have an opportunity to participate and the FCC has time to respond to these concerns.

I urge you to take my constituents concerns into account as this rule change, regulating joint sales agreements and how they are used to calculate television station ownership, is implemented. Businesses that play by the rules should be able to trust that rule changes won't be applied retroactively to the detriment of their agreements.

Should you have any questions or concerns regarding this matter, please do not hesitate to contact Aaron Edelman of my staff at 202-224-4788.

Sincerely,



Barbara A. Mikulski
United States Senator

cc: Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
Commissioner Michael O'Rielly



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

May 1, 2014

The Honorable Barbara A. Mikulski
United States Senate
503 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Mikulski:

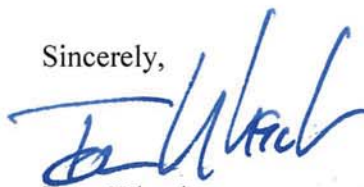
Thank you for your letter expressing concerns regarding the recent Commission action to attribute certain Joint Sales Agreements (JSAs) between television stations. I appreciate the opportunity to provide some clarification about the Commission's March 31, 2014 decision to attribute TV JSAs where one station sells 15% or more of the weekly advertising time on behalf of another station in the same market.

Stations have been on notice of potential regulatory action on JSAs since 2004 when the Commission first adopted a *Notice of Proposed Rulemaking* proposing to attribute these types of TV agreements. Since the start, the industry has participated in the proceeding, including in 2010 when the Commission sought additional comment as part of the Quadrennial Review of broadcast ownership rules. In fact, it is our understanding that stations have been noting the possible change in policy as part of their SEC filings, and the Commission has consistently noted the pending proceeding to attribute JSAs in prior decisions on broadcast transactions that involve JSAs. Additionally, the Commission action on the TV JSA rule mirrors the path taken in 2002, when the Commission attributed JSAs for radio stations in the same manner and provided a 2-year period for stations to come into compliance.

Historically, the Commission's rules have prohibited one television broadcaster from owning more than one station in small and medium-size markets. The purpose of this is to foster competition, localism, and a diversity of voices in the public interest. In the last few years, however, some broadcasters approached the Commission to approve agreements that effectively granted them ownership without a formal transfer of control. This practice rapidly evolved from an exception to common practice, with the number of such agreements ballooning in recent years to become a direct means of circumventing the Commission's ownership rules. In the case of public companies, the Securities and Exchange Commission filings acknowledge this reality in unmistakable terms. By moving decisions on broadcast ownership into the open, we will enable the public and the Commission to consider more fully and appropriately the public interest issues raised by the implementation of the Commission's rules.

I hope this information is helpful.

Sincerely,



Tom Wheeler